

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Eighty-Second Session  
May 30, 2023**

The Committee on Government Affairs was called to order by Chair Selena Torres at 9:10 a.m. on Tuesday, May 30, 2023, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda [[Exhibit A](#)], the Attendance Roster [[Exhibit B](#)], and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/App/NELIS/REL/82nd2023](http://www.leg.state.nv.us/App/NELIS/REL/82nd2023).

**COMMITTEE MEMBERS PRESENT:**

Assemblywoman Selena Torres, Chair  
Assemblywoman Bea Duran, Vice Chair  
Assemblyman Max Carter  
Assemblyman Rich DeLong  
Assemblyman Reuben D'Silva  
Assemblywoman Cecelia González  
Assemblyman Bert Gurr  
Assemblyman Brian Hibbetts  
Assemblyman Gregory Koenig  
Assemblyman Richard McArthur  
Assemblyman Duy Nguyen  
Assemblywoman Angie Taylor  
Assemblywoman Clara Thomas

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

Senator Julie Pazina, Senate District No. 12  
Senator Nicole Cannizzaro, Senate District No. 6

**STAFF MEMBERS PRESENT:**

Jennifer Ruedy, Committee Policy Analyst  
Asher Killian, Committee Counsel

Minutes ID: 1278



Sarah Delap, Committee Counsel  
Judi Bishop, Committee Manager  
Geigy Stringer, Committee Secretary  
Cheryl Williams, Committee Assistant

**OTHERS PRESENT:**

Mandee Bowsmith, Administrator, Division of Human Resource Management,  
Department of Administration  
Marc Ellis, President, Communications Workers of America Local 9413  
Susie Martinez, Executive Secretary-Treasurer, Nevada State AFL-CIO  
Dan Musgrove, representing Southern Nevada Building Trades Unions  
Warren B. Hardy II, representing Nevada Health and Bioscience Corporation  
Thomas A. Morley, representing Laborers Local 872; Laborers Local 169; and  
Communications Workers of America Local 9413  
Rob Benner, representing Building and Construction Trades Council of Northern  
Nevada  
Andy Donahue, representing Laborers-Employers Cooperation and Education Trust  
Ronald Young, representing International Brotherhood of Electrical Workers  
Local 357  
Nick Vassiliadis, representing Carpenters Union  
Aaron Ibarra, representing Southern Nevada Building Trades Unions  
Steven Dudley, representing Southwest Mountain States Carpenters  
Alfonso Lopez, representing Sheet Metal, Air, Rail and Transportation Workers  
Local 88  
Jimmy Schwarz, representing Ironworkers Local 433  
Bob Horton, Business Agent, Ironworkers Local 433  
Robert Diaz, representing Sheet Metal, Air, Rail and Transportation Workers  
Local 88  
Ricardo Estrada, Member, Ironworkers Local 433  
Anthony Ivester, representing Bricklayers and Allied Craftworkers Local 13  
Jacob Gonzalez, representing Bricklayers and Allied Craftworkers Local 13  
Russ James, representing Nevada State AFL-CIO; and Member, International Union  
of Painters and Allied Trades  
Dionne Clug, representing United Food and Commercial Workers Union Local 711  
Mitchell Bechtel, representing Nevada District Council of Iron Workers  
Charles Zemp, representing International Union of Bricklayers and Allied  
Craftworkers  
John Carlo, Private Citizen, Las Vegas, Nevada  
Liz Sorenson, President, Nevada State AFL-CIO  
Brandy Glass, representing Southern Nevada Building Trades Unions  
Juan Orpineda, representing U.A. Local 469  
Ann Barnett, Chief Executive Officer, Nevada Contractors Association  
Kanani Espinoza, representing Nevada Chapter of American Council of Engineering  
Companies

Joshua J. Hicks, representing Nevada Homebuilders Association  
William Brewer, Executive Director, Nevada Rural Housing Authority  
Kerrie Kramer, representing NAIOP  
Nicole Rourke, representing Urban Consortium  
Paul J. Moradkhan, Senior Vice President, Government Affairs, Vegas Chamber  
Christine Hess, Executive Director, Nevada Housing Coalition  
Alexis Motarex, representing Nevada Chapter, Associated General Contractors of America  
Chase Whittemore, representing Nevada Builders Alliance

**Chair Torres:**

[Roll was taken. Committee rules were explained.] Welcome to the hardest working committee in the Nevada State Legislature, the Assembly Committee on Government Affairs. Today, we have two bills for hearing. We are going to begin with Senate Bill 387, which revises provisions related to the state personnel system. Senator Pazina, when you are ready, you may begin.

**Senate Bill 387: Revises provisions related to the state personnel system. (BDR 23-961)**

**Senator Julie Pazina, Senate District No. 12:**

Good morning, Chair Torres, Vice Chair Duran, and members of the Assembly Committee on Government Affairs. Thank you so much for having me. It is great to see everyone all assembled together. It is my pleasure to be before you today to present Senate Bill 387.

By way of background, this bill was brought forward to ensure that opportunities exist for every qualified person to be employed in our classified state service. As the Reverend Dr. Martin Luther King once so eloquently stated, "Everybody can be great . . . because anybody can serve. You don't have to have a college degree to serve." We have heard throughout the session about the need to fill positions in the state, and Senate Bill 387 gives qualified Nevadans an opportunity to fill some of these vacant positions.

As you may be aware, existing law establishes a classified service of employment within the state. This is to ensure that state positions are based on the similarity of duties and responsibilities so that the same qualifications may reasonably be required for all positions within the same class. Therefore, this one-section bill simply requires the administrator of the Division of Human Resource Management within the Department of Administration to periodically review the positions in the classified service that require a person to hold a bachelor's degree. When the administrator deems it necessary for the efficiency of public service, the administrator is then authorized to revise the qualifications to allow a person to substitute equivalent experience or skills in lieu of a degree. In a nutshell, our most skilled and otherwise qualified Nevadans should not be denied a chance to work in the classified service solely because that individual lacks a bachelor's degree.

This bill will afford the administrator the authority to revise the qualifications for classified positions as necessary to ensure that the state is able to hire the most qualified Nevadans for positions. While this is not a money committee, I would also like to share that due to the \$500,000 appropriation directed to Assembly Bill 451 for a classification and compensation study by the joint Assembly Committee on Ways and Means and Senate Committee on Finance, the fiscal note for this bill has been removed. Thank you so much. With that, I would love to answer any questions.

**Chair Torres:**

Members, are there any questions?

**Assemblywoman Duran:**

Thank you for your presentation. Is this going to also go through the chain of command? For example, would incumbent employees who want to promote up be included, or is this just going to be for any new position?

**Senator Pazina:**

My understanding is that once these positions' qualifications have been updated to potentially not require a bachelor's degree, then anyone in the state would be able to apply for that position who may otherwise not be able to have the upward mobility at this present time.

**Chair Torres:**

The administrator is here and will probably testify in neutral, so when you come up, if you could help answer that question.

**Assemblywoman Thomas:**

Thank you, Senator Pazina, for the presentation. I appreciate our moving forward because I think sometimes we stagnate. This will help us in the state to move forward. You said the human resources director would be the one who would be the administrator of the reclassification of positions. Other than a bachelor's degree, they will take into consideration life experiences and how long that person worked in whatever department he or she is in. That is how I am understanding this.

**Senator Pazina:**

Yes, that is exactly correct. It would replace commensurate job experience and life experience for the requirement of holding a bachelor's degree for some of these positions. If, like me, you have heard in hearings throughout the course of the year how many positions are open right now, this would give a lot more Nevadans an opportunity to be employed by the State.

The impetus for this, where this idea came from, was the governor in Pennsylvania signed an executive order to essentially change job requirements to remove the requirement of having a bachelor's degree in the state for so many of the state positions, as they are having a similar challenge there. I thought, Oh my gosh, what a great idea. Again, I have heard in hearings throughout the year and on the news how many open positions there are, and good positions

that so many people are qualified for and would do a phenomenal job at. The idea of removing the requirement of a bachelor's degree opens this up to people who, exactly as you say, already have the life experience, the commensurate job experience; they just do not hold a college degree.

**Chair Torres:**

Members, are there additional questions? Ms. Bowsmith, would you like to answer that question for the record?

**Mandee Bowsmith, Administrator, Division of Human Resource Management, Department of Administration:**

I will answer the question since I am here and you are all on the topic. First, we would like to thank Senator Pazina for bringing this bill forward because this highlights something that we started working on in the current biennium, but it also helps us to have some guidance and some direction based on what the constituency has told you they are looking for.

In terms of incumbent employees, for those incumbent employees who have already secured positions within the classified service, there would be no retroactivity in terms of the positions they currently are in. However, if there is an opportunity for them to promote into a position where we have modified the minimum qualifications with respect to a bachelor's degree or some kind of academic certification—for example, we have the accounting technician series—there are required credits that one must take in order to get into those positions. If we have modified that, then certainly we can absolutely allow incumbent employees who are looking for promotional opportunities to apply for those positions going forward with language under this bill.

**Chair Torres:**

Members, are there any additional questions? It does not appear there are. Thank you so much for your presentation. At this time, I will invite anyone wishing to testify in support of S.B. 387 here in Carson City. When you are ready, please begin.

**Marc Ellis, President, Communications Workers of America Local 9413:**

On behalf of the state printers, the ones who printed the bills that you all are reading right now, we fully endorse this bill.

**Susie Martinez, Executive Secretary-Treasurer, Nevada State AFL-CIO:**

On behalf of more than 150,000 members and 120 unions, we are in full support of the bill.

**Chair Torres:**

I do not see anyone in Las Vegas approaching to testify in support of S.B. 387. Is there anyone on the phones wishing to testify in support of S.B. 387? [There was no one.] At this time, we will go to opposition. Is there anyone wishing to testify in opposition to S.B. 387? [There was no one.] At this time, we will go to neutral. Is anyone wishing to testify in neutral on S.B. 387? [There was no one.] At this time, I will invite the bill sponsor for any closing remarks. There being none, we will close the hearing on S.B. 387.

Committee members, know that the Assembly Speaker has waived the 24-hour rule, so we do not need to wait 24 hours to work session a piece of legislation. At this time, we are going to move into the work session for S.B. 387. We will go to our policy analyst.

**Senate Bill 387: Revises provisions related to the state personnel system. (BDR 23-961)**

**Jennifer Ruedy, Committee Policy Analyst:**

Senate Bill 387, which was just heard, requires the administrator of the Division of Human Resource Management of the Department of Administration to periodically review the positions in the classified service that require a person to hold a bachelor's degree, and whenever the administrator deems it necessary for the efficiency of the public service, revise the qualifications to allow a person to substitute equivalent experience or skills in lieu of such a degree.

**Chair Torres:**

Are there any questions, members? There do not appear to be any questions. At this time, I will entertain a motion to do pass Senate Bill 387.

ASSEMBLYWOMAN GONZÁLEZ MADE A MOTION TO DO PASS  
SENATE BILL 387.

ASSEMBLYWOMAN DURAN SECONDED THE MOTION.

Members, is there any discussion on the motion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

I will assign the floor statement to Assemblywoman González. Congratulations, Senator Pazina. We will go next to the hearing on Senate Bill 226 (2nd Reprint), which revises provisions governing public works. We are waiting for the Majority Leader. We will take a one-minute recess.

[The Committee recessed at 9:23 a.m. and reconvened at 9:45 a.m.]

**Chair Torres:**

We have already opened the hearing on S.B. 226 (R2), so we will carry on with the presentation from the Majority Leader. When you are ready, you may begin.

**Senate Bill 226 (2nd Reprint): Revises provisions governing public works. (BDR 28-494)**

**Senator Nicole Cannizzaro, Senate District No. 6:**

I am pleased to be here today to present to you Senate Bill 226 (2nd Reprint), which revises provisions related to public works. As a bit of background information, Nevada's prevailing wage laws ensure that government dollars for publicly funded construction projects do not

undercut local wage and benefit standards, prevent a race to the bottom among contractors, support good-paying jobs, and provide value to taxpayers. The bill I am proposing and presenting to you today, Senate Bill 226 (2nd Reprint), clarifies the application of prevailing wages and ensures competitive compensation rates among industries and occupations to the benefit of workers and taxpayers alike.

This bill will benefit our state in several ways and works to provide assurances regarding the construction of public buildings. This bill will require the payment of prevailing wages on publicly funded projects, not only to support our local labor force by paying fair wages but also to attract and build a pipeline of highly qualified workers. Before I introduce my copresenters, I would like to briefly walk you through the bill and the amendment [\[Exhibit C\]](#). I would ask the Committee to refer to the conceptual amendment which is located on the Nevada Electronic Legislative Information System (NELIS). You will see that we are proposing to strike all sections of the bill except for sections 2, 8, 16.5, and 17. I will briefly provide an overview of the remaining sections and the changes proposed in the conceptual amendment.

In section 2, we make a declaration of legislative intent, finding, among other things, the payment of prevailing wages to workers on public works projects that are funded in whole or in part by public money is essential to the economic well-being of the state, increasing the number of skilled construction workers in the state, enhancing the workforce of the state, and increasing redevelopment opportunities in the state. To ensure the intentions of the Legislature are upheld, careful scrutiny of novel leasing and financing agreements entered into, or incentives offered by public bodies for the construction of a public work, are necessary to ensure that workers on public works projects are paid prevailing wages.

Section 8 of the bill provides that any regulation adopted by the Labor Commissioner related to public works must be consistent with the declaration of the legislative intent that is spelled out in section 2.

Section 16.5 clarifies that the amendatory provisions of the bill do not apply to any contract, lease, or other agreement entered into prior to the effective date of the bill, which is upon passage and approval, as outlined in section 17.

Turning now to the new language in the conceptual amendment, we are proposing to add new language regarding a qualifying organization as identified under Internal Revenue Service Code 501(c)(3) and 509(a)(3), specifically as it relates to support of the construction of hospitals and buildings for the purposes of medical education and research, and providing private financing to construct public buildings in partnership with a public entity.

To meet the qualifications of a qualifying organization, the entity must meet the Internal Revenue Service's (IRS) nonprofit status and be organized and operated to support Nevada governmental agencies and political subdivisions, including public schools, colleges, and universities, in the construction of hospitals, medical education, or medical research buildings.

Under the provisions of this amendment, a project developed by a qualifying organization is exempt from *Nevada Revised Statutes* (NRS) 338.013 to 338.090 regarding selection of a general contractor required to pay prevailing wages under NRS 338.013 to 338.090 and exempt from public works provisions in NRS Chapter 341. Additionally, all subcontracts must be competitively bid in accordance with NRS Chapter 338. All subcontractors bidding on a project of a qualifying organization are entitled to bid preferences equivalent to NRS 338.1389, and at least 15 percent of the subcontracts must go to small local businesses. Finally, projects of a qualifying organization are subject to apprenticeship requirements as outlined in NRS 338.01165.

The amendment also revises NRS 354.740 by deleting subsection 5 regarding certain lease-purchase or installment-purchase agreements and adds it into a new section. The last part of the amendment, beginning at the bottom of page 2, proposes a new section containing the deleted language from NRS 354.740 and new language which provides a definition of "agreement." Here, we are addressing agreements to purchase property in the form of a lease or an agreement to pay in installments, where the state or one of its political subdivisions pays the purchase price over a period of time extending beyond the biennium in which the agreement is executed. This includes an agreement wherein the state, agency, or a political subdivision may acquire property that is the subject of the agreement at the end of the term of the agreement or at the end of the term of a renewal of the agreement upon payment of no additional consideration or nominal additional consideration, and an agreement that, for the purposes of federal income tax, is treated as an agreement for conditional sale.

Madam Chair, this bill is brought to this Committee and before this Legislature because I strongly believe that when we are investing public dollars, we should also be ensuring that there are sufficient wages and benefits paid to the workers who are on those jobs. Those workers are not only high-skilled, especially when we are talking about union labor and apprenticeship labor and individuals who have gone through programs that prepare them to be able to do quality construction work, but it also provides for them a pathway to sustain their families, to provide benefits to their families, because those things come along with that.

When we are talking about prevailing wage, that is what we are setting as a standard. It is saying that we believe people who are working on these projects are entitled to make a good wage; are entitled to benefits; are entitled to be allowed to be a highly skilled workforce that is building things that we can have faith in as the stewards of public tax dollars.

What this particular bill is seeking to address, which is an issue that has come up and that I have talked about and I am sure my copresenters, Mr. Musgrove and Mr. Hardy, will elaborate on as well, are lease-purchase buybacks where we have seen there have been attempts to get around what otherwise would be prevailing wage laws here in Nevada. There is an attempt to get around prevailing wage law by having those projects go through this loophole in the lease-purchase buyback situation. We want to be able to close that so everything that should be and is intended to be a public works project, and should be subject to prevailing wage, will be.



Of course, you see that there is additional language in here about the qualifying organizations. Mr. Hardy may be able to talk about that a bit more and why that is so important for the benefit of Nevadans and for being able to do some exciting things in the upcoming year. With that, Madam Chair, I would like to turn it over to Mr. Musgrove and then over to Mr. Hardy, and then we can answer any questions that you or the members of the Committee may have.

**Dan Musgrove, representing Southern Nevada Building Trades Unions:**

It is my honor to be working with the Majority Leader on this legislation and also to be sitting next to the supermom of Case and Cole.

This very simply was an idea that we had been working on for a long time with the Majority Leader and Speaker of the Assembly around truly ensuring that public dollars are used for the public benefit. That does not mean just the public building that ends up being built. It is the whole process of ensuring that the building of that facility, structure, or whatever it might be benefits the public as it goes along. Whether it is the prevailing wages that you heard the Majority Leader talk about, whether it is the apprenticeship programs that train our next skilled workforce, that take people out of middle class with free education and get them an associate degree when they go through these apprenticeship programs, the public work should benefit the public.

If you look through NELIS at the iterations of this bill, you will see we have come a long way. Unfortunately, as we began this process, we swept in a whole lot more things than we envisioned when we attempted to try to close some of these loopholes that the Majority Leader talked about. Unfortunately, as you opened one door, it caused problems for other folks, whether in local governments, whether in nonprofits, whether they be folks building residential homes, whether they be building affordable housing. Unfortunately, this bill began to sweep in those whose way of doing business and the way they build their projects we certainly did not intend to change. So today, we sit with an amendment in front of you that we absolutely support, which focuses on lease buyback and the issue that Mr. Hardy will bring for you today, which we believe is one more benefit for our community. The Majority Leader has talked you through the amendment and the original bill, so I do not need to waste any of your time going through it more specifically than she already has, but again, we wanted to ensure that there are not ways around paying prevailing wage.

Just recently, there was an opinion from the Office of the Attorney General based on a letter that came from a city down south, wherein they were asking how they could structure certain land giveaways and economic development. Basically, the opinion came down to the fact that you really ought to focus on not avoiding the payment of prevailing wage, because that is what this Legislature, in the many, many years it has been in existence, has worked to do to ensure that the prevailing wages are paid to those workers working on these public projects.

The amendment is very clear at this point; we tried to be very, very specific. We certainly did not want to sweep in the folks whom we originally did in either the original bill or even the first or second reprint. Today we stand before you hoping that you support the new S.B. 226 (R2) with the amendment. I turn it over to my colleague, Mr. Hardy.

**Warren B. Hardy II, representing Nevada Health and Bioscience Corporation:**

For those of you not familiar with the Nevada Health and Bioscience Corporation, we are the constructors, the builders, the maintainers, the operators of the medical school building, the Kirk Kerkorian School of Medicine at the University of Nevada, Las Vegas (UNLV). Before I get into the new provisions that the Majority Leader so graciously agreed to include in this bill, I want to speak just for a second to the issue of the lease-purchase section of the bill. During the 2005-2006 interim, as a member of the Senate I was assigned to conduct an interim study on lease-purchase. That came on the heels of the Richard H. Bryan Building that is behind this campus.

The way lease-purchase is generally used is a government will say, I have a piece of property; I would like you to build a state building, a local government building, some kind of government building on it. There are other iterations of it, but that is the most common. The developer will build the building and then lease it back to the state for 30 years. Often, at the end, there is a purchase option for the government. We really grappled with how to make that process fair in 2006, and in 2007 we came back to the Legislature with a number of recommendations. The one that is germane for today, I would like to read to you. This came from our study and was adopted into statute in 2007:

The government of this State and the political subdivisions of this State should not use lease-purchase and installment purchase agreements to: (a) Engage in or allow bid shopping. (b) Avoid or circumvent any requirement regarding the payment of prevailing wage for public works.

These are public works projects. Everybody who knows me in this building knows I have been engaged in and involved on behalf of the nonunion contractors and in the prevailing wage world for a long time. My position personally and my position professionally is, the law requires the payment of prevailing wage on public works jobs. That is something we have an obligation to uphold. What this newly adopted amendment does, with regard to lease-purchase, is focus the attention and the payment of prevailing wage on what we intended in a bipartisan way in 2007 to include, and that is lease-purchase. The language says, Look, we really mean what we said in section 3, subsection (b) of S.B. 226 (R2). I am in full support of clarifying that lease-purchase projects should be paid prevailing wage and they should not be used to get around the payment of prevailing wage. I want to make that clear because a lot of folks automatically assume I am opposed to prevailing wage, and that is not the case. I do want to thank the Majority Leader for the adjustment there, because that makes good public policy.

Now with regard to NRS Chapter 338 for qualifying organizations, my organization, the Nevada Health and Bioscience Corporation, is a qualified organization as defined in the bill and in law, and in the IRS code. We did negotiate, construct, and build the medical school. That building was built primarily with private dollars from the philanthropists and the individuals who are involved in the Bioscience Corporation. Although we had no requirement to pay prevailing wage on that project, we did pay prevailing wage on that building. It is our intent to continue to pay prevailing wage on every building we do, going forward, in the state. For those of you who are not too familiar with the medical school, that is—in my humble opinion, not just because I was involved—one of the great stories of Nevada in the last 20 years. We have created a new culture of philanthropy in Nevada where donors and philanthropists are now looking at Nevada—southern Nevada and Nevada—for projects.

The reason for this legislation is the folks like the Nevada Health and Bioscience Corporation have teams. We were so successful in the medical school. It finished months ahead of schedule and literally tens of millions of dollars under budget. As a result of that, when Governor Steve Sisolak dedicated some American Rescue Plan Act funds for the construction of a pathology lab at the University of Nevada, Reno (UNR), he said, Yes, we will construct that pathology lab at UNR, but we also are going to do one at the University of Nevada, Las Vegas and I would like—speaking for Governor Sisolak—I would like to require that Nevada Health and Bioscience Corporation construct that facility to remain consistent with what is happening on that campus. When the legislative Interim Finance Committee contributed the money to that, the stipulation was that the money would go to the Nevada Health and Bioscience Corporation, and the Nevada Health and Bioscience Corporation would construct, own, and manage the building. It soon became evident to us, though, that our structure, our model, would not be allowed in a project where the majority of the money came from the government. That was because that subjected us to the requirement of NRS Chapter 338.

Not unlike the National Football League (NFL) stadium, the Allegiant Stadium where the provision said the NFL is allowed to use their own selected general contractor—that is because the NFL has very specific, authorized, and approved general contractors—the Nevada Health and Bioscience Corporation also has selected general contractors who we use as part of our team. I will say for some of my colleagues in the Legislature, that it just so happens those all happen to be union-affiliated general contractors who use union-affiliated subs. They feel very strongly, if they are going to be able to duplicate the success of the medical school, which is now expected of us, we need to be able to use our team.

The new section of NRS Chapter 338 here very narrowly describes what a qualifying organization is. It also very narrowly defines the types of projects a qualifying organization can do. We cannot construct a movie theater; we cannot do that legally because under the IRS designation we are a support organization for UNLV. It has to be an education project. This is a very narrow definition. It very simply allows us to select our own general contractors and after that, subcontractors will have to be bid. Subcontractors will also be entitled to the bidding preference that is in statute. The requirements for local hire will

be intact, and the apprenticeship requirements under NRS Chapter 338 will be intact. All this does is allow us, one, to select our certified, internally approved general contractor; and two, it takes us out from under the provisions of NRS Chapter 341, which is the public works statute. We feel this will allow the Nevada Health and Bioscience Corporation to fully engage, at their best, in the projects that we have been asked by the state to participate in. I hope that I did not make it more confusing. As with my colleagues here, I will be happy to stand for questions.

**Chair Torres:**

Thank you for the presentation. Members, are there any questions?

**Assemblyman Carter:**

I know everything is a moving target at this point in the Legislature. Are you comfortable that this is closing the loopholes that were exploited by officials in southern Nevada to build facilities without paying prevailing wage, such as those for the Las Vegas Metropolitan Police Department?

**Dan Musgrove:**

Yes.

**Assemblyman Gurr:**

It is more confusing than it was yesterday. Your organization is exempt under this law now, if it passes?

**Warren Hardy:**

Our organization, if this passes, is exempt from the requirements of NRS Chapter 338 to publicly bid a general contractor. That is all it does.

**Assemblyman Gurr:**

Okay. What does it do? How about a hypothetical, as one of the Senators threw in front of us a couple of times. Let us use Elko since that is what I am familiar with. Elko has a chunk of ground, and they lease it to me for a dollar and then I find a 501(c)(3) organization to build a building, and it is a legit, straight-up thing; it is not a scam. Does the prevailing wage apply to that?

**Warren Hardy:**

As I understand, that would depend on the details. If the 501(c)(3) was constructing it for a government purpose, then yes, it would apply. That would be a lease-purchase under the definition of lease-purchase. If it was constructed for a purpose related to the 501(c)(3), the purpose of the nonprofit, then I do not believe it would apply.

**Assemblyman Gurr:**

Okay, let us do another hypothetical. Let us say a city puts in \$10,000 toward the building of a Boys and Girls Club or something like that. Does that apply?

**Warren Hardy:**

No, that would not. That arguably would have likely applied under the original version of S.B. 226 (R2), but under this version it would not. A lease-purchase is a very specific financing scheme arrangement where the building is for a public purpose. This would have applied in the case of the Richard Bryan Building where, if I can remember back that far, the State contributed the land, the private developer built it without prevailing wage as a private job, then leased it back for 30 years to the State. In my opinion, that is a direct circumvention of the intent of prevailing wage laws.

**Assemblyman Gurr:**

That clears up most of the fog I had. Maybe after we are done, you can clear it up more.

**Assemblywoman Thomas:**

Thank you, Senator Cannizzaro, for bringing this bill forward. I appreciate that. I have a couple of questions and a comment. I just had to clarify whether or not this was a labor bill. To hear that public and private entities are working together is something that our state needed; I am taking my hat off to you. My question is, I heard earlier about the pipeline of workers and, of course, I am concerned about our community, especially that community that is not always at the forefront of some of the benefits of labor. I want to know whether or not, with public-private working together, you can commit that you will go into those disadvantaged communities and seek out our young people to get them started toward being able to benefit in these projects.

**Warren Hardy:**

What I can commit to you, Assemblywoman Thomas, is that is the one thing the nonunion sector of the industry and the union sector of the industry aggressively agree on, the need to get not only underrepresented members of our community into the construction trades, but people into the construction trades. The biggest challenge we have, in good economic times like we are having in Nevada right now, is to attract people and get workers on jobs. I can 100 percent commit to you that is an ongoing effort by both my friends in labor—I will let Mr. Musgrove speak to that—but also the nonunion sector. We are aggressively trying to recruit—for the survival of our industry—we are aggressively trying to recruit young people.

**Dan Musgrove:**

On behalf of the building trades, those are so important, as Mr. Hardy said. There has already been legislation that has come through this Committee that focuses on some of those things. There were two bills that the Chair of the Committee on Ways and Means brought dealing with women in construction, as well as community development agreements that we passed in Assembly Bill 391 out of this Committee that focus on those underserved communities. As you heard Mr. Hardy commit to, this bill will focus on that local hire as well.

The more work we have when it comes to public works, the more folks we need in apprenticeship programs, the more aggressive we have to be in getting folks into those programs, in the pipeline as you discussed, because the benefit of what public works should do is training that next workforce and moving them out of poverty and into well-paying middle-class jobs with a pension.

**Assemblywoman Thomas:**

Thank you. I like putting that on the record.

**Assemblyman DeLong:**

I would just like to confirm whether affordable housing projects are required to pay prevailing wage.

**Warren Hardy:**

The amendment before you today removes all sections of S.B. 226 (R2), so the original language with regard to affordable housing is no longer included in the bill, nor are all of the other things that most folks were concerned about with regard to the expansion of prevailing wage. This is laser-focused on lease-purchase projects which we thought we fixed in 2007.

**Assemblyman DeLong:**

To simplify that, would just a "no" work?

**Warren Hardy:**

Not for me. It takes me 15 minutes to state the nature of the weather, Madam Chair; you know that.

**Assemblywoman Taylor:**

I have a follow-up question for Mr. Hardy. I appreciate the consideration for the philanthropic efforts. Those are really important in our state. I want to make sure—I may have missed it—in those situations such as the building for Senator Bryan you mentioned, are they still paying prevailing wage?

**Warren Hardy:**

My organization pays prevailing wage regardless. As I indicated, there was no legal requirement for us to pay prevailing wage on the medical school, but we paid prevailing wage. That was largely a function of our desire to make sure prevailing wages were paid by the contractors whom we hired. So yes, if this were in place now—again, I thought we fixed it in 2007—if the Bryan building were built today, it would require the payment of prevailing wage to construct. This is the loophole we are trying to close. We obviously did not get enough with the legislative declaration in 2007, so now we are coming back and saying it in no uncertain terms.

**Chair Torres:**

Members, are there any additional questions? [There were none.] I was hoping you could talk a little bit about the economic impact of prevailing wage on the greater community and not only on that one individual project.

**Senator Cannizzaro:**

The original impetus for Senate Bill 226 (2nd Reprint) was to say that there are places where we are investing public dollars where we believe prevailing wage should be paid, because when we are paying prevailing wage, we are assuring that those workers who are coming onto those jobs are making a wage that allows them to have a career, a career that gives them the ability to provide for their families and the ability to have the benefits that accompany that.

From an economic standpoint, when workers are making enough to support their family, when they have access to benefits and to things like health care, that is something that innately benefits our economy, because they are making money they can then use to buy goods; they can then use to afford housing for their families; they are able to access medical care; they are able to talk about retirement in terms of the benefits package. From an economic standpoint, whenever we are investing in workers who are able to have that from the job they work every single day, then we are doing our job as legislators in being—I have talked about this in my previous comments—stewards of public tax dollars when we are using those to build buildings for public purposes. We know that the jobs that are going into creating those public buildings are sustaining families.

On the Senate side, we talked very extensively about when it comes to prevailing wage projects, those projects are typically done in a much faster timeline in a way that, because they are building with skilled labor who do the work efficiently, is maybe a little more costly on the front end because you are paying workers who actually have the credentials to do the work they are there to do. But we know those buildings tend to be very stable when they are built, are done on a timeline that makes sense, and they ultimately save taxpayers money because we do not have to go back in with multiple change orders to fix work that was not done properly in the first instance, or have to extend a project and invest more money into it because it was not done in a timely fashion. When we are talking about prevailing wage, you are going to get a more skilled workforce that is going to be able to build projects more efficiently.

From an economic benefit standpoint, when we are investing taxpayer dollars into the building of buildings that are for public purposes, which is what this bill is getting at with those lease-purchase agreements, those should be built at prevailing wage because we know they are going to be more sturdy projects that get done on time. Add that to the economic benefit of supporting workers and their families in a real way. We have some information that was presented on the Senate side that we are happy to share with the Committee on the numbers and the studies that have been done about prevailing wage projects versus non-prevailing wage projects and the differences in terms of an investment by the taxpayers and what that means for all of us.

**Chair Torres:**

It does seem to me that making the investment in prevailing wage allows our community to see the impact for significantly longer, not only because we do not have to repair those buildings sooner, but also because of the impact it has on jobs and workers, which seems rather significant to me.

**Assemblyman Carter:**

We talked about how, with this philanthropic involvement—the organization Mr. Hardy is talking about—in certain ways prevailing wage does not apply. I want to make sure we are clear that we are not circumventing the requirements to have apprentices on the project. In the last session, that was put in place, and we are working harder to make that process more streamlined. I want to make sure we are still going to see apprentices utilized on these projects.

**Warren Hardy:**

Yes. When I say that we were not required, it was because it was a privately funded project, the medical school. All the money came; however, by virtue of the contractor we selected who has collective bargaining agreements, the requirements of the collective bargaining agreements led to the apprentices and all those sorts of things. Under this provision of law, if it is public money involved, the only thing we get to do is select our own general contractor. All the other provisions of local hire, of bidding for subs, and for apprenticeship, apply. That is specifically called out in this statute. We do have to make one minor change, Madam Leader, because it says all qualifying organizations sometimes do not do public works projects. Anyway, that is the intent; where public money is involved, all those provisions 100 percent apply.

**Chair Torres:**

I will note that we would definitely like to have a conversation about those additional changes after this hearing because there are a couple of questions regarding the amendment. We can continue that conversation offline. Members, are there any additional questions? It does not appear there are at this time.

There are a lot of people here to testify, so we are going to have 30 minutes in support, 30 minutes in opposition, and 30 minutes in neutral. When we hear the 30 minutes in support, we are going to have 10 minutes here in Carson City, 10 minutes in Las Vegas, and 10 minutes on the phones. If any of that time is available, I will come back to Carson City or Las Vegas. I would encourage individuals who are coming to testify to keep your remarks short, knowing there are several individuals who have signed in to testify this morning. At this time, we are going to open up the support testimony; it is 10:20 a.m. and we will start here in Carson City when you are ready.

**Thomas A. Morley, representing Laborers Local 872; Laborers Local 169; and Communications Workers of America Local 9413:**

We are in support.



**Rob Benner, representing Building and Construction Trades Council of Northern Nevada:**

We are in support with them.

**Andy Donahue, representing Laborers-Employers Cooperation and Education Trust:**

We are very pleased to see existing legislative findings further reinforced and codified; we are in support of the bill.

**Ronald Young, representing International Brotherhood of Electrical Workers Local 357:**

We are in full support of this bill.

**Susie Martinez, Executive Secretary-Treasurer, Nevada State AFL-CIO:**

On behalf of more than 150,000 members and 120 unions, we are in full support of the bill.

**Marc Ellis, President, Communications Workers of America Local 9413:**

Us too.

**Nick Vassiliadis, representing Carpenters Union:**

Us too.

**Chair Torres:**

Is there anybody else here in Carson City wishing to testify in support of S.B. 226 (R2)? I do not see anyone here in Carson City, so I will go to Las Vegas. You may begin when you are ready.

**Aaron Ibarra, representing Southern Nevada Building Trades Unions:**

We are in full support of this bill.

**Steven Dudley, representing Southwest Mountain States Carpenters:**

We represent just under 6,000 carpenters in southern Nevada, and we are in full support of this bill.

**Alfonso Lopez, representing Sheet Metal, Air, Rail and Transportation Workers Local 88:**

We are also in full support of this bill.

**Jimmy Schwarz, representing Ironworkers Local 433:**

We support this bill.

**Bob Horton, Business Agent, Ironworkers Local 433:**

I represent about 500 men and women. We are in full support of this bill.

**Robert Diaz, representing Sheet Metal, Air, Rail and Transportation Workers Local 88:**

We are in support of the bill.

**Ricardo Estrada, Member, Ironworkers Local 433:**

I am supporting this bill.

**Anthony Ivester, representing Bricklayers and Allied Craftworkers Local 13:**

We are in full support of this bill.

**Jacob Gonzalez, representing Bricklayers and Allied Craftworkers Local 13:**

We are in full support of S.B. 226 (R2).

**Chair Torres:**

Is there anyone else in Las Vegas wishing to testify in support of S.B. 226 (R2)? I do not see anyone. At this time, we will go to the phones.

**Russ James, representing Nevada State AFL-CIO; and Member, International Union of Painters and Allied Trades:**

We are here in support of Senate Bill 226 (2nd Reprint) and urge the Committee to support it as well.

**Dionne Clug, representing United Food and Commercial Workers Union Local 711:**

We urge you to support S.B. 226 (R2).

**Mitchell Bechtel, representing Nevada District Council of Iron Workers:**

We are calling in in full support.

**Charles Zemp, representing International Union of Bricklayers and Allied Craftworkers:**

We support S.B. 226 (R2).

**John Carlo, Private Citizen, Las Vegas, Nevada:**

I am currently an apprentice in the Ironworkers Local 433. Yesterday evening, I waited several hours to publicly comment and I had to go. I would like to express the manner in which this bill was presented. I would just like to add that—

**Chair Torres:**

Sir, do you have any comments on S.B. 226 (R2)?

**John Carlo:**

The way S.B. 226 (R2) would help our community is not only towards the state and our economy, but we are also reaching out to those below us who need it and whom some of you never hear about. Thank you for working so hard.

**Liz Sorenson, President, Nevada State AFL-CIO:**

I am here in strong support of Senate Bill 226 (2nd Reprint). I urge the Committee to support it as well.

**Brandy Glass, representing Southern Nevada Building Trades Unions:**

I am in support of the bill.

**Juan Orpineda, representing U.A. Local 469:**

I represent Local 469 workers here in Las Vegas, and we are in full support.

**Chair Torres:**

There are no more callers at this time. We finished support testimony in seven minutes, but I will note that we have given an equal opportunity for all in support to testify. I do not see anyone else in the audience here in Carson City or in Las Vegas, so at this time we will go to opposition. It is 10:28 a.m. We will go ahead and open opposition. Is there anyone wishing to testify in opposition?

**Ann Barnett, Chief Executive Officer, Nevada Contractors Association:**

We would like to thank the bill sponsor and the bill proponents for their work thus far. We are reviewing the amendment, but we would like to inform the Committee that we remain opposed until we can review it in more detail. We will continue to discuss the bill with its proponents and try to address any remaining challenges.

**Kanani Espinoza, representing Nevada Chapter of American Council of Engineering Companies:**

American Council of Engineering Companies opposed S.B. 226 (R2) in the Senate, and while we really appreciate the efforts of the amendment, we are still reviewing specifically sections 2 and 8 and remain opposed to those.

**Chair Torres:**

I do not see anyone else here in Carson City wishing to testify in opposition. Is there anyone in Las Vegas wishing to testify in opposition to S.B. 226 (R2)? I do not see anyone. Is there anyone on the line wishing to testify in opposition to S.B. 226 (R2)? [There was no one.]

[[Exhibit D](#) was submitted and will be made part of the record.]

We will go to neutral. Is there anyone wishing to testify neutral on S.B. 226 (R2)? It is 10:29 a.m.; we will start neutral testimony.

**Joshua J. Hicks, representing Nevada Homebuilders Association:**

We were one of the groups that Mr. Musgrove talked about earlier who were concerned about potentially having residential construction pulled into the public works and prevailing wage world. We really appreciate the conceptual amendment that was presented today.

Thank you to the Majority Leader and thank you to the proponents. That looks like it resolves the concerns we had, but we are reserving the right to continue to look at that amendment.

**William Brewer, Executive Director, Nevada Rural Housing Authority:**

I would like to say a big ditto to what was just said. The proposed amendment would certainly bring us to neutral. We appreciate all of the work by the Majority Leader and the proponents of the bill.

**Kerrie Kramer, representing NAIOP:**

We are here in neutral today with the proposed amendment. We would like to thank the Majority Leader and all the stakeholders for their work on this amendment. We feel that with this amendment, our members may continue to use ground leases with public entities as a means for developing truly private development projects without triggering prevailing wage, thus alleviating our initial concerns.

**Nicole Rourke, representing Urban Consortium:**

The Urban Consortium consists of the cities of Henderson, Las Vegas, North Las Vegas, Reno, and Sparks. We thank the Majority Leader for the amendment that brings us to neutral and for addressing the concerns that we expressed on the Senate side.

**Paul J. Moradkhan, Senior Vice President, Government Affairs, Vegas Chamber:**

The Chamber was opposed to S.B. 226 (R2) in the original format. However, we believe that with the conceptual amendment, it does address many of the concerns that were brought forward by the Chamber and other stakeholders from the business community regarding the broad definitions and scope, and it achieves the goal of the proponents to address the lease buyback option. We thank the Majority Leader for her efforts to convene the group and getting many of us around to neutrality.

**Christine Hess, Executive Director, Nevada Housing Coalition:**

The Nevada Housing Coalition is working to advance and promote affordable housing. We have been in front of this hardworking Committee many times before. I want to thank you and the Majority Leader. The conceptual amendment proposed today does address our concerns, and we appreciate not having to address an additional barrier to affordable housing.

**Alexis Motarex, representing Nevada Chapter, Associated General Contractors of America:**

I am here representing commercial construction in northern Nevada. We, too, were opposed up until this amendment. We are neutral on S.B. 226 (R2) as presented with the amendment and appreciate that the language matches the stated intent of the proponents.

**Chase Whittemore, representing Nevada Builders Alliance:**

We, too, were in opposition up until this amendment, and we feel this amendment addresses the vast majority of our original concerns.

**Chair Torres:**

Is there anyone in Las Vegas wishing to testify neutral on S.B. 226 (R2)? I do not see anyone. Is there anyone on the line wishing to testify neutral on S.B. 226 (R2)? [There was no one.] At this time, I will invite the bill sponsor for any closing remarks. There being none, we can close the hearing on S.B. 226 (R2). We will have a one-minute recess.

[The Committee recessed at 10:33 a.m. and reconvened at 10:36 a.m.]

As noted on our agenda, we had a possible work session. After talking to the members of the Committee, we are going to consider Senate Bill 371 at this time. I will go to our policy analyst.

**Senate Bill 371: Revises provisions governing local governments. (BDR 20-681)**

**Jennifer Ruedy, Committee Policy Analyst:**

The bill up for consideration today on the work session is Senate Bill 371. The work session document should be available on the Nevada Electronic Legislative Information System. It was heard by this Committee on May 17, 2023.

[Read from Exhibit E.] Senate Bill 371 authorizes a board of county commissioners and the governing body of an incorporated city, except as expressly prohibited by statute, to enact any ordinance or measure relating to affordable housing, including, without limitation, rent control.

**Chair Torres:**

Members, are there any questions? [There were none.] At this time, after speaking with members of the Committee, I will entertain a motion to report without recommendation.

ASSEMBLYMAN CARTER MADE A MOTION TO REPORT WITHOUT  
RECOMMENDATION SENATE BILL 371.

ASSEMBLYWOMAN THOMAS SECONDED THE MOTION.

Members, is there any discussion? As a reminder to the Committee, this means that we are going to report this to the floor without taking a vote on it at this time.

**Assemblyman DeLong:**

I am remembering the discussion with the Senator during his testimony. He agreed to remove the rent control language, and it appears that has not occurred.

**Chair Torres:**

Thank you for your feedback. That is correct. At this time, we are considering the piece of legislation without that additional amendment. We are not taking a position on the bill at this time, but we are still voting. Is there any additional discussion? It does not appear there is any.

THE MOTION PASSED. (ASSEMBLYMEN DELONG, GURR, HIBBETTS, AND MCARTHUR VOTED NO. ASSEMBLYMAN D'SILVA WAS ABSENT FOR THE VOTE.)

That is the last item on our agenda for today. We will move on to public comment. Is there anyone wishing to testify in public comment? I do not see anyone in Carson City or Las Vegas. Is there anyone on the line wishing to testify in public comment?

[Public comment was heard.]

Members, as you well know, this is our final week for now with only a couple of days left. [Meeting reminders were given.] The Assembly Committee on Government Affairs is adjourned [at 10:40 a.m.].

RESPECTFULLY SUBMITTED:

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Geigy Stringer  
Committee Secretary

APPROVED BY:

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Assemblywoman Selena Torres, Chair

DATE: \_\_\_\_\_

## **EXHIBITS**

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a proposed amendment to Senate Bill 226 (2nd Reprint), dated May 29, 2023, submitted by Senator Nicole Cannizzaro, Senate District No. 6.

[Exhibit D](#) is a letter dated May 30, 2023, submitted by Matt McCarty, Executive Director, Elko Senior Activities Program, Inc., in opposition to Senate Bill 226 (2nd Reprint),

[Exhibit E](#) is the Work Session Document for Senate Bill 371, submitted and presented by Jennifer Ruedy, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.